

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02091A  
PINECREST WATER COMPANY  
PO BOX 97  
NUTRIOS0, AZ 85932

RECEIVED

M/P 1-6-10

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

|    |    |      |
|----|----|------|
| 12 | 31 | 2009 |
|----|----|------|

FOR COMMISSION USE

|        |    |
|--------|----|
| ANN 04 | 09 |
|--------|----|

3-16-10

## COMPANY INFORMATION

|  |                           |   |  |
|--|---------------------------|---|--|
| <b>Company Name (Business Name)</b> <u>PINECREST WATER COMPANY, INC.</u> |                           |   |  |
| <b>Mailing Address</b> <u>PO BOX 97</u><br>(Street)                      |                           |   |  |
| <u>NUTRIOSO</u><br>(City)  | <u>ARIZONA</u><br>(State) | <u>85932</u><br>(Zip)                   |  |
| <u>928-339-4972</u><br>Telephone No. (Include Area Code)                 |                           |   |  |
| <u></u><br>Fax No. (Include Area Code)                                   |                           | <u></u><br>Cell No. (Include Area Code) |  |
| <b>Email Address</b> <u>illy@frontier.com</u>                            |                           |   |  |
| <b>Local Office Mailing Address</b> <u>SAME</u><br>(Street)              |                           |   |  |
| <u></u><br>(City)  | <u></u><br>(State)        | <u></u><br>(Zip)                        |  |
| <u></u><br>Local Office Telephone No. (Include Area Code)                |                           | <u></u><br>Cell No. (Include Area Code) |  |
| <b>Email Address</b> <u></u>   |                           |   |  |

## MANAGEMENT INFORMATION

|  |                           |   |                       |
|--|---------------------------|---|-----------------------|
| <input type="checkbox"/> <b>Regulatory Contact:</b>  |                           |   |                       |
| <input checked="" type="checkbox"/> <b>Management Contact:</b> <u>NATHAN CASTILLO</u> <u>PRESIDENT</u><br>(Name) (Title) |                           |   |                       |
| <u>PO BOX 97</u><br>(Street)   | <u>NUTRIOSO</u><br>(City) | <u>ARIZONA</u><br>(State)               | <u>85932</u><br>(Zip) |
| <u>928-339-4972</u><br>Telephone No. (Include Area Code)   |                           |   |                       |
| <u></u><br>Fax No. (Include Area Code)   |                           | <u></u><br>Cell No. (Include Area Code) |                       |
| <b>Email Address</b> <u>illy@frontier.com</u>  |                           |   |                       |
| <b>On Site Manager:</b> <u>SAME</u><br>(Name)  |                           |   |                       |
| <u></u><br>(Street)  | <u></u><br>(City)         | <u></u><br>(State)                      | <u></u><br>(Zip)      |
| <u></u><br>Telephone No. (Include Area Code)   |                           | <u></u><br>Cell No. (Include Area Code) |                       |
| <b>Email Address</b> <u></u>   |                           |   |                       |

**Statutory Agent:** JOHN K MANGUM

(Name)

1 EAST CAMELBACK ROAD #1100 PHOENIX ARIZONA 85012  
(Street) (City) (State) (Zip)

602-254-5442

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:** SAME

(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA              | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ            | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO            | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ        | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE         |                                   |                                   |

**COMPANY NAME** PINECREST WATER COMPANY, INC.

**UTILITY PLANT IN SERVICE**

| Acct.<br>No. | DESCRIPTION                               | Original<br>Cost (OC) | Accumulated<br>Depreciation<br>(AD) | O.C.L.D.<br>(OC less AD) |
|--------------|---|-----------------------|-------------------------------------|--------------------------|
| 301          | Organization                              | 750                   | N/A                                 | 750                      |
| 302          | Franchises                                |                       |                                     |                          |
| 303          | Land and Land Rights                      | 6,000                 | N/A                                 | 6000                     |
| 304          | Structures and Improvements               | 14,954                | 12,784                              | 2,170                    |
| 307          | Wells and Springs                         | 4,800                 | 4,102                               | 698                      |
| 311          | Pumping Equipment                         | 5,909                 | 4,326                               | 1,583                    |
| 320          | Water Treatment Equipment                 | 505                   | 505                                 | -0-                      |
| 330          | Distribution Reservoirs and<br>Standpipes | 16,044                | 4,370                               | 11,674                   |
| 331          | Transmission and Distribution Mains       | 17,743                | 14,252                              | 3,491                    |
| 333          | Services                                  | 3,200                 | 3,200                               | -0-                      |
| 334          | Meters and Meter Installations            | 1,600                 | 1,600                               | -0-                      |
| 335          | Hydrants                                  |                       |                                     |                          |
| 336          | Backflow Prevention Devices               |                       |                                     |                          |
| 339          | Other Plant and Misc. Equipment           |                       |                                     |                          |
| 340          | Office Furniture and Equipment            |                       |                                     |                          |
| 341          | Transportation Equipment                  |                       |                                     |                          |
| 343          | Tools, Shop and Garage Equipment          | 100                   | 92                                  | 8                        |
| 344          | Laboratory Equipment                      |                       |                                     |                          |
| 345          | Power Operated Equipment                  |                       |                                     |                          |
| 346          | Communication Equipment                   |                       |                                     |                          |
| 347          | Miscellaneous Equipment                   |                       |                                     |                          |
| 348          | Other Tangible Plant                      |                       |                                     |                          |
|              | <b>TOTALS</b>                             | <b>71,605</b>         | <b>45,231</b>                       | <b>26,374</b>            |

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME** PINECREST WATER COMPANY, INC.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct.<br>No. | DESCRIPTION                            | Original<br>Cost (1) | Depreciation<br>Percentage<br>(2) | Depreciation<br>Expense<br>(1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301          | Organization                           | 750                  | N/A                               | N/A                              |
| 302          | Franchises                             |                      |                                   |                                  |
| 303          | Land and Land Rights                   | 6,000                | N/A                               | N/A                              |
| 304          | Structures and Improvements            | 14,954               | 3.33                              | 493                              |
| 307          | Wells and Springs                      | 4,800                | 3.33                              | 158                              |
| 311          | Pumping Equipment                      | 5,909                | 12.50                             | 739                              |
| 320          | Water Treatment Equipment              | 505                  | N/A                               | N/A                              |
| 330          | Distribution Reservoirs and Standpipes | 16,044               | 2.20                              | 353                              |
| 331          | Transmission and Distribution Mains    | 17,743               | 2.00                              | 355                              |
| 333          | Services                               | 3,200                | 3.33                              | 85                               |
| 334          | Meters and Meter Installations         | 1,600                | 8.33                              | 44                               |
| 335          | Hydrants                               |                      |                                   |                                  |
| 336          | Backflow Prevention Devices            |                      |                                   |                                  |
| 339          | Other Plant and Misc. Equipment        |                      |                                   |                                  |
| 340          | Office Furniture and Equipment         |                      |                                   |                                  |
| 341          | Transportation Equipment               |                      |                                   |                                  |
| 343          | Tools, Shop and Garage Equipment       | 100                  | 5.00                              | 5                                |
| 344          | Laboratory Equipment                   |                      |                                   |                                  |
| 345          | Power Operated Equipment               |                      |                                   |                                  |
| 346          | Communication Equipment                |                      |                                   |                                  |
| 347          | Miscellaneous Equipment                |                      |                                   |                                  |
| 348          | Other Tangible Plant                   |                      |                                   |                                  |
|              | <b>TOTALS</b>                          | <b>71,605</b>        | <b>VARIOUS</b>                    | <b>2,232</b>                     |

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

|                     |                               |
|---------------------|-------------------------------|
| <b>COMPANY NAME</b> | PINECREST WATER COMPANY, INC. |
|---------------------|-------------------------------|

### **BALANCE SHEET**

| Acct No. |   | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
|          | <b>ASSETS</b>                               |                              |                        |
|          | <b>CURRENT AND ACCRUED ASSETS</b>           |                              |                        |
| 131      | Cash  | \$ 21,818                    | \$ 26,336              |
| 134      | Working Funds                               |                              |                        |
| 135      | Temporary Cash Investments                  |                              |                        |
| 141      | Customer Accounts Receivable                |                              |                        |
| 146      | Notes/Receivables from Associated Companies |                              |                        |
| 151      | Plant Material and Supplies                 |                              |                        |
| 162      | Prepayments                                 | 732                          | 236                    |
| 174      | Miscellaneous Current and Accrued Assets    |                              |                        |
|          | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 22,550                    | \$ 26,572              |
|          | <b>FIXED ASSETS</b>                         |                              |                        |
| 101      | Utility Plant in Service                    | \$ 71,605                    | \$ 71,605              |
| 103      | Property Held for Future Use                |                              |                        |
| 105      | Construction Work in Progress               |                              |                        |
| 108      | Accumulated Depreciation – Utility Plant    | 42,999                       | 45,231                 |
| 121      | Non-Utility Property                        |                              |                        |
| 122      | Accumulated Depreciation – Non Utility      |                              |                        |
|          | <b>TOTAL FIXED ASSETS</b>                   | \$ 28,606                    | \$ 26,374              |
|          | <b>TOTAL ASSETS</b>                         | \$ 51,156                    | \$ 52,946              |

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

|                     |                               |
|---------------------|-------------------------------|
| <b>COMPANY NAME</b> | PINECREST WATER COMPANY, INC. |
|---------------------|-------------------------------|

**BALANCE SHEET (CONTINUED)**

| <b>Acct.<br/>No.</b> |   | <b>BALANCE AT<br/>BEGINNING OF<br/>YEAR</b> | <b>BALANCE AT<br/>END OF<br/>YEAR</b> |
|----------------------|---|---|---------------------------------------|
|                      | <b>LIABILITIES</b>                                |   |                                       |
|                      |   |   |                                       |
|                      | <b>CURRENT LIABILITIES</b>                        |   |                                       |
| 231                  | Accounts Payable                                  | \$  | \$                                    |
| 232                  | Notes Payable (Current Portion)                   |   |                                       |
| 234                  | Notes/Accounts Payable to Associated Companies    |   |                                       |
| 235                  | Customer Deposits                                 |   |                                       |
| 236                  | Accrued Taxes                                     |   |                                       |
| 237                  | Accrued Interest                                  |   |                                       |
| 241                  | Miscellaneous Current and Accrued Liabilities     |   |                                       |
|                      | <b>TOTAL CURRENT LIABILITIES</b>                  | \$ - 0 -                                    | \$ - 0 -                              |
|                      |   |   |                                       |
|                      | <b>LONG-TERM DEBT (Over 12 Months)</b>            |   |                                       |
| 224                  | Long-Term Notes and Bonds                         | \$ - 0 -                                    | \$ - 0 -                              |
|                      |   |   |                                       |
|                      | <b>DEFERRED CREDITS</b>                           |   |                                       |
| 251                  | Unamortized Premium on Debt                       | \$  | \$                                    |
| 252                  | Advances in Aid of Construction                   |   |                                       |
| 255                  | Accumulated Deferred Investment Tax Credits       |   |                                       |
| 271                  | Contributions in Aid of Construction              |   |                                       |
| 272                  | Less: Amortization of Contributions               |   |                                       |
| 281                  | Accumulated Deferred Income Tax                   |   |                                       |
|                      | <b>TOTAL DEFERRED CREDITS</b>                     | \$ - 0 -                                    | \$ - 0 -                              |
|                      |   |   |                                       |
|                      | <b>TOTAL LIABILITIES</b>                          | \$ - 0 -                                    | \$ - 0 -                              |
|                      |   |   |                                       |
|                      | <b>CAPITAL ACCOUNTS</b>                           |   |                                       |
| 201                  | Common Stock Issued                               | \$  | \$                                    |
| 211                  | Paid in Capital in Excess of Par Value            |   |                                       |
| 215                  | Retained Earnings                                 | 51,156                                      | 52,946                                |
| 218                  | Proprietary Capital (Sole Props and Partnerships) |   |                                       |
|                      | <b>TOTAL CAPITAL</b>                              | \$  | \$                                    |
|                      |   |   |                                       |
|                      | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 51,156                                   | \$ 52,946                             |

### **COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| <b>Acct. No.</b> | <b>OPERATING REVENUES</b>                 | <b>PRIOR YEAR</b> | <b>CURRENT YEAR</b> |
|------------------|---|-------------------|---------------------|
| 461              | Metered Water Revenue                     | \$ 18,399         | \$ 20,284           |
| 460              | Unmetered Water Revenue                   |                   |                     |
| 474              | Other Water Revenues                      | 140               |                     |
|                  | <b>TOTAL REVENUES</b>                     | \$ 18,539         | \$ 20,284           |
|                  |   |                   |                     |
|                  | <b>OPERATING EXPENSES</b>                 |                   |                     |
| 601              | Salaries and Wages                        | \$                | \$                  |
| 610              | Purchased Water                           |                   |                     |
| 615              | Purchased Power                           | 941               | 951                 |
| 618              | Chemicals                                 |                   |                     |
| 620              | Repairs and Maintenance                   | 1,063             | 4,079               |
| 621              | Office Supplies and Expense               | 640               | 440                 |
| 630              | Outside Services                          | 4,580             | 4,973               |
| 635              | Water Testing                             | 1,021             | 761                 |
| 641              | Rents                                     |                   |                     |
| 650              | Transportation Expenses                   |                   |                     |
| 657              | Insurance – General Liability             | 1,500             | 1,500               |
| 659              | Insurance - Health and Life               |                   |                     |
| 666              | Regulatory Commission Expense – Rate Case |                   |                     |
| 675              | Miscellaneous Expense                     | 170               | 1,010               |
| 403              | Depreciation Expense                      | 2,503             | 2,232               |
| 408              | Taxes Other Than Income                   | 1,040             | 1,299               |
| 408.11           | Property Taxes                            | 444               | 473                 |
| 409              | Income Tax                                | 1,231             | 829                 |
|                  | <b>TOTAL OPERATING EXPENSES</b>           | \$ 15,133         | \$ 18,547           |
|                  |   |                   |                     |
|                  | <b>OPERATING INCOME/(LOSS)</b>            | \$ 3,406          | \$ 1,737            |
|                  |   |                   |                     |
|                  | <b>OTHER INCOME/(EXPENSE)</b>             |                   |                     |
| 419              | Interest and Dividend Income              | \$ 155            | \$ 53               |
| 421              | Non-Utility Income                        |                   |                     |
| 426              | Miscellaneous Non-Utility Expenses        |                   |                     |
| 427              | Interest Expense                          |                   |                     |
|                  | <b>TOTAL OTHER INCOME/(EXPENSE)</b>       | \$ 155            | \$ 53               |
|                  |   |                   |                     |
|                  | <b>NET INCOME/(LOSS)</b>                  | \$ 3,561          | \$ 1,790            |



|                     |                              |
|---------------------|------------------------------|
| <b>COMPANY NAME</b> | PINECREST WATER COMPANY, INC |
|---------------------|------------------------------|

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

|                        | <b>LOAN #1</b> | <b>LOAN #2</b> | <b>LOAN #3</b> | <b>LOAN #4</b> |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued            | NONE           |                |                |                |
| Source of Loan         |                |                |                |                |
| ACC Decision No.       |                |                |                |                |
| Reason for Loan        |                |                |                |                |
| Dollar Amount Issued   | \$             | \$             | \$             | \$             |
| Amount Outstanding     | \$             | \$             | \$             | \$             |
| Date of Maturity       |                |                |                |                |
| Interest Rate          | %              | %              | %              | %              |
| Current Year Interest  | \$             | \$             | \$             | \$             |
| Current Year Principle | \$             | \$             | \$             | \$             |

|  |    |      |
|--|----|------|
| Meter Deposit Balance at Test Year End | \$ | NONE |
|--|----|------|

|  |    |      |
|--|----|------|
| Meter Deposits Refunded During the Test Year | \$ | NONE |
|--|----|------|

|                        |  |
|------------------------|--|
| <b>COMPANY NAME</b>    | PINECREST WATER COMPANY, INC.                              |
| <b>Name of System:</b> | PINECREST WATER CO ADEQ Public Water System Number: 01-010 |

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

| <b>ADWR ID<br/>Number*</b> | <b>Pump<br/>Horsepower</b> | <b>Pump Yield<br/>(gpm)</b> | <b>Casing<br/>Depth<br/>(Feet)</b> | <b>Casing<br/>Diameter<br/>(Inches)</b> | <b>Meter Size<br/>(inches)</b> | <b>Year<br/>Drilled</b> |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
| 55-806312                  | 1                          | 35                          | 36                                 | 10                                      | 3/4                            | 1967                    |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |
|                            |                            |                             |                                    |   |                                |                         |

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

| <b>Name or Description</b> | <b>Capacity<br/>(gpm)</b> | <b>Gallons Purchased or Obtained<br/>(in thousands)</b> |
|----------------------------|---------------------------|---|
| NONE                       |                           |   |
|                            |                           |   |

| <b>BOOSTER PUMPS</b> |                 | <b>FIRE HYDRANTS</b>     |                       |
|----------------------|-----------------|--------------------------|-----------------------|
| <b>Horsepower</b>    | <b>Quantity</b> | <b>Quantity Standard</b> | <b>Quantity Other</b> |
| 3                    | 1               |                          |                       |
| 1.5                  | 1               |                          |                       |
|                      |                 |                          |                       |
|                      |                 |                          |                       |

| <b>STORAGE TANKS</b> |                 | <b>PRESSURE TANKS</b> |                 |
|----------------------|-----------------|-----------------------|-----------------|
| <b>Capacity</b>      | <b>Quantity</b> | <b>Capacity</b>       | <b>Quantity</b> |
| 10,000               | 1               | 80                    | 3               |
|                      |                 |                       |                 |
|                      |                 |                       |                 |

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

|                        |  |
|------------------------|--|
| <b>COMPANY NAME</b>    | PINECREST WATER COMPANY, INC.                              |
| <b>Name of System:</b> | PINECREST WATER CO ADEQ Public Water System Number: 01-010 |

### **WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

#### **MAINS**

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2                | PVC      | 2,762            |
| 3                | PVC      | 1,630            |
| 4                | PVC      | 4,435            |
| 5                |          |                  |
| 6                |          |                  |
| 8                |          |                  |
| 10               |          |                  |
| 12               |          |                  |
|                  |          |                  |
| 1.25             | PVC      | 2,800            |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |

#### **CUSTOMER METERS**

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4        |          |
| 3/4              | 43       |
| 1                |          |
| 1 1/2            |          |
| 2                |          |
| Comp. 3          |          |
| Turbo 3          |          |
| Comp. 4          |          |
| Turbo 4          |          |
| Comp. 6          |          |
| Turbo 6          |          |
|                  |          |
|                  |          |

**For the following three items, list the utility owned assets in each category for each system.**

#### **TREATMENT EQUIPMENT:**

##### **HAND CHLORINATION**

|   |
|---|
| CHEM TECH INT. SERIES 100 #E6880 - 15 GPD CHLORINATOR ( ON STANDBY) |
|   |
|   |
|   |
|   |

#### **STRUCTURES:**

##### **FENCED WELLHEAD AND VAULT**

|   |
|---|
| FENCED CAPTIVE AIR PRESSURE TANKS & DISTRIBUTION SYSTEM |
|   |
|   |
|   |
|   |

#### **OTHER:**

|  |
|--|
|  |
|  |
|  |
|  |

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

|  |
|--|
| <b>COMPANY NAME:</b> PINECREST WATER COMPANY, INC.                                       |
| <b>Name of System:</b> PINECREST WATER CO <b>ADEQ Public Water System Number:</b> 01-010 |

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

| MONTH           | NUMBER OF CUSTOMERS | GALLONS SOLD<br>(Thousands) | GALLONS PUMPED<br>(Thousands) | GALLONS PURCHASED<br>(Thousands) |
|-----------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY         | 42                  | 63.880                      | 66.100                        | -0-                              |
| FEBRUARY        | 42                  | 44.980                      | 46.000                        | -0-                              |
| MARCH           | 42                  | 47.930                      | 49.900                        | -0-                              |
| APRIL           | 42                  | 55.800                      | 61.700                        | -0-                              |
| MAY             | 42                  | 112.430                     | 118.500                       | -0-                              |
| JUNE            | 42                  | 124.980                     | 129.700                       | -0-                              |
| JULY            | 42                  | 140.370                     | 143.600                       | -0-                              |
| AUGUST          | 42                  | 149.110                     | 151.500                       | -0-                              |
| SEPTEMBER       | 42                  | 96.740                      | 97.800                        | -0-                              |
| OCTOBER         | 43                  | 100.050                     | 100.600                       | -0-                              |
| NOVEMBER        | 43                  | 86.330                      | 89.900                        | -0-                              |
| DECEMBER        | 43                  | 65.430                      | 67.000                        | -0-                              |
| <b>TOTALS →</b> |                     | 1,088.030                   | 1,119.300                     | -0-                              |

What is the level of arsenic for each well on your system? 2.9 mg/l

*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement?      GPM for      hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☐ Yes                      ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes                      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes                      ☒ No

If yes, provide the GPCPD amount:                                     

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

|                        |   |
|------------------------|---|
| <b>COMPANY NAME:</b>   | PINECREST WATER COMPANY, INC.                                     |
| <b>Name of System:</b> | PINECREST WATER CO <b>ADEQ Public Water System Number:</b> 01-010 |

**UTILITY SHUTOFFS / DISCONNECTS**

| MONTH           | Termination without Notice<br>R14-2-410.B | Termination with Notice<br>R14-2-410.C | OTHER |
|-----------------|---|--|-------|
| JANUARY         |   |  |       |
| FEBRUARY        |   |  |       |
| MARCH           |   |  |       |
| APRIL           |   |  |       |
| MAY             |   |  |       |
| JUNE            |   |  |       |
| JULY            |   |  |       |
| AUGUST          |   |  |       |
| SEPTEMBER       |   |  |       |
| OCTOBER         |   |  |       |
| NOVEMBER        |   | 1                                      |       |
| DECEMBER        |   |  |       |
| <b>TOTALS →</b> | - 0 -                                     | 1                                      | - 0 - |

OTHER (description):

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COMPANY NAME PINECREST WATER COMPANY, INC. YEAR ENDING 12/31/2009

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 472.93

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Apache County Treasurer  
Treasurer - Katherine D. Arviso  
P.O. Box 698  
St Johns, AZ 85806

October 14, 2004 - 1:17 PM  
Inspector - Garcia

Thank you for payment of: \$472.93  
Payment applied to the 2000 Tax Year

Check Paid - Check  
FINEST WESTER CO SALMAN CASTILLO/PRK  
2145  
Tax Year: 2000  
Tax Roll Number: 15452  
Parcel ID: 920-61-000

|                        |          |
|------------------------|----------|
| Taxes:                 | \$472.93 |
| Total Fee(s)/Interest: | \$0.00   |
| Previous Payments:     | \$0.00   |
| Prior Balance Due:     | \$472.93 |

|                             |          |
|-----------------------------|----------|
| Current Payment Amount:     | \$472.93 |
| Taxes Paid This Payment:    | \$472.93 |
| Interest Paid This Payment: | \$0.00   |
| Fees Paid This Payment:     | \$0.00   |
| Remaining Balance:          | \$0.00   |

RECEIVED

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

APR 15 2010  
AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED  
OF THE

|                                |
|--------------------------------|
| COUNTY OF (COUNTY NAME)        |
| APACHE                         |
| NAME (OWNER OR OFFICIAL) TITLE |
| NATHAN CASTILLO, PRESIDENT     |
| COMPANY NAME                   |
| PINECREST WATER COMPANY, INC.  |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

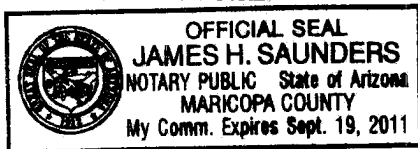
|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



*Nathan Castillo*  
SIGNATURE OF OWNER OR OFFICIAL  
928-3394972  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10<sup>th</sup> DAY OF

(SEAL)

MY COMMISSION EXPIRES 9-19-11

|             |
|-------------|
| COUNTY NAME |
| MARICOPA    |
| MONTH       |
| March       |
| 20 10       |

*[Signature]*  
SIGNATURE OF NOTARY PUBLIC



COMPANY NAME PINECREST WATER COMPANY, INC. YEAR ENDING 12/31/2009

**INCOME TAXES**

For this reporting period, provide the following:

|   |              |
|---|--------------|
| Federal Taxable Income Reported           | <u>2,285</u> |
| Estimated or Actual Federal Tax Liability | <u>107</u>   |

|   |              |
|---|--------------|
| State Taxable Income Reported           | <u>2,618</u> |
| Estimated or Actual State Tax Liability | <u>177</u>   |

Amount of Grossed-Up Contributions/Advances:

|   |              |
|---|--------------|
| Amount of Contributions/Advances        | <u>- 0 -</u> |
| Amount of Gross-Up Tax Collected        | <u>- 0 -</u> |
| Total Grossed-Up Contributions/Advances | <u>- 0 -</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

3/10/10  
DATE

NATHAN CASTILLO  
PRINTED NAME

PRESIDENT  
TITLE

RECEIVED

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

APR 16 2010  
AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|  |
|--|
| COUNTY OF (COUNTY NAME)<br>APACHE                            |
| NAME (OWNER OR OFFICIAL) TITLE<br>NATHAN CASTILLO, PRESIDENT |
| COMPANY NAME<br>PINECREST WATER COMPANY, INC.                |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

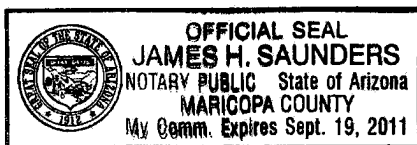
FOR THE YEAR ENDING

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:



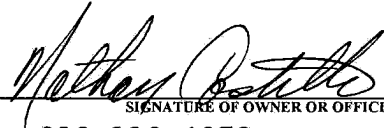
Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 20,284

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 1,299

IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
928-339-4972  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

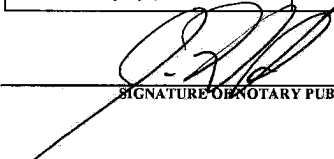
THIS

10 13

DAY OF

|                                  |
|----------------------------------|
| COUNTY NAME<br><u>MARICOPA</u>   |
| MONTH <u>MARCH</u> .20 <u>10</u> |

(SEAL)

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 9-19-11

RECEIVED

MAR 16 2011

AZ CORP COMM  
Director Utilities

VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|   |                    |
|---|--------------------|
| COUNTY OF (COUNTY NAME) APACHE                |                    |
| NAME (OWNER OR OFFICIAL)<br>NATHAN CASTILLO   | TITLE<br>PRESIDENT |
| COMPANY NAME<br>PINECREST WATER COMPANY, INC. |                    |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

|   |
|---|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
| \$ 20,284                                   |

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1,299  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Nathan Castillo*  
SIGNATURE OF OWNER OR OFFICIAL

928-339-4972

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

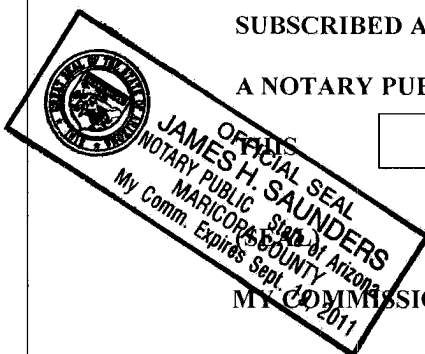
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

10<sup>th</sup>

DAY OF

|   |         |
|---|---------|
| NOTARY PUBLIC NAME<br>James H. Saunders |         |
| COUNTY NAME<br>MARICOPA                 |         |
| MONTH<br>March                          | , 20 10 |

*[Signature]*  
SIGNATURE OF NOTARY PUBLIC



COMMISSION EXPIRES 9-10-11